

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Local Telephone Competition and Broadband Reporting)	WC Docket No. 04-141
)	
Local Competition and Broadband Reporting)	CC Docket No. 99-301
)	

SPRINT COMMENTS

Sprint Corporation, on behalf of its local, long distance and wireless operations, submits the following comments in response to the Notice of Proposed Rulemaking and Order on Reconsideration issued in the above-captioned dockets.¹

In this NPRM, the Commission proposes and seeks comment on various changes to the Form 477 which it believes would “improve [its] Form 477 local competition and broadband data gathering program, including gathering more granular data from broadband service providers and extending the program for five years beyond its currently designated sunset in March 2005.” *Id.*, ¶1. Sprint supports the extension of Form 477 reporting requirements for five years beyond the currently scheduled sunset date in order

¹ *In the Matter of Local Telephone Competition and Broadband Reporting, Local Competition and Broadband Reporting*, WC Docket No. 04-141 and CC Docket No. 99-301, FCC 04-81 (released April 16, 2004). The Commission’s proposals to revise the Form 477 are in the Notice of Proposed Rulemaking (NPRM) section of the order.

to support the Commission's continued study of local telephone competition and broadband deployment. However, Sprint opposes the proposed additional reporting requirements because the burden such requirements will place on carriers will outweigh the benefits associated with the new data and because the Commission currently collects enough information to carry out its duty to monitor local telephone competition and broadband deployment. Given the highly competitive nature of the industry, the Commission must keep the competitively sensitive information contained in the report confidential.

As the Commission states, the Form 477 reporting requirements were established "to collect basic information about two critical areas of the communications industry: the deployment of broadband services and the development of local telephone service competition." *Id.*, ¶2. Based on the information provided to date, the Commission has tracked the development of both local telephone service competition and the deployment of broadband services, and periodically issues reports on both local competition and broadband deployment.²

The Commission now seeks more detailed information about the deployment and adoption of broadband technologies. While Sprint supports continuation of the reporting requirement, there is a cost to the filers associated with producing the additional information. The imposition of new reporting requirements must be based on an analysis

² See, e.g., FCC News Release, "Federal Communications Commission Releases Data on Local Telephone Competition," June 18, 2004, and FCC News Release, "Federal Communications Commission Releases Study on Telephone Trends," May 6, 2004.

of the costs versus the benefits of the additional data. It is not clear that the information collected will provide the basis for future Commission actions to stimulate broadband development or greater local competition.

Sprint also believes that other methods of tracking broadband technologies and local competition are available and should be considered. The Commission notes that the U.S. Small Business Administration and the U.S Department of Commerce have funded studies of telecommunications and Internet use. NPRM, fn. 30. In addition, there are relevant studies in the public domain, such as those produced by the Pew Internet & American Life Project concerning the use of high-speed Internet connections.³ The Commission should evaluate such surveys and studies before it imposes additional requirements on the reporting carriers.

The Commission makes specific proposals to expand the information to be provided. First, it seeks comment on its proposals to require providers of broadband connection to provide information separated into six categories of speed (rather than the two currently used) and to report based on the “transfer rates actually observed by end users” (rather than the maximum transfer rates and speeds that are currently reported). NPRM, ¶7. In the existing Form 477, service providers are required to identify the percentage of broadband lines that (1) exceed 200 kbps in both directions simultaneously and (2) deliver greater than 2 Mbps in both directions simultaneously. In contrast, four of the six proposed categories exceed 2.5 mbps. Sprint believes that the current categories

³ See, http://www.pewinternet.org/pdfs/PIP_Broadband04.DataMemo.pdf, report by John B. Horrigan, April, 2004.

provide sufficient information concerning the speeds of broadband facilities being used, and that the maximum transfer rates are the typical and appropriate way of identifying facilities. Further, the directive of Section 706(b) is to determine whether advanced services are being deployed to all Americans. Broadband facilities exceeding 2.5 mbps are generally used by business customers, not mass market consumers. The Commission provides no explanation as to how this additional business-oriented information will be used in the development of policy for broadband deployment in rural and non-rural service areas or why the information currently provided is insufficient. Absent a clear explanation of the value of the additional information to the Commission's decision-making processes, this burden to disaggregate broadband facilities into numerous categories should not be placed on service providers.

Concerning local telephone service competition, the Commission notes that it has concluded that sufficient local competition exists to permit the Bell Operating Companies to provide long distance service in all markets. *Id.*, ¶8. Nevertheless, it seeks additional information concerning whether the local service providers also provide interstate long distance service to their customers and what percentage of their local customers also use them for long distance services. Sprint believes that the information currently being reported is sufficient for monitoring the status of local telephone competition, and it fails to perceive any obvious benefit to the Commission's monitoring of local telephone competition from the addition of information relating to the provision of long distance service. Nor does the Commission offer any rationale for proposing to collect this additional information. The Commission should not impose new reporting requirements

if it does not articulate the reasons why it believes such information would be helpful to performing its monitoring functions. Clearly this rationale is needed so that the costs of collecting the information can be weighed against the identified benefits. Furthermore, this information is competitively sensitive and highly confidential and should not be released in the Commission's reports.

Sprint sees no reason to place the additional information request concerning "default interstate long distance carrier" on wireless carriers which typically provide nationwide calling (e.g., both local and long distance services). Sprint believes that there is nothing to be gained from this proposed reporting requirement and that the cost to produce the information will greatly exceed any benefit to be derived from it.

One of the most onerous proposals in the NPRM is reporting by Zip Code. Specifically, the Commission requests comments on whether filers should "report, for each Zip Code, the number of connections provided in various 'speed tiers,' and whether that information should be reported separately by technology." *Id.*, ¶9, fn. omitted. To produce a report by Zip Code would require a significant amount of software development to match information about the customer's type and number of connections with the customer's Zip Code retrieved from the billing system, to aggregate this information by Zip Code and to produce the report by Zip Code. Further, the customer's billing address, and therefore the Zip Code, may not correspond with the location of the broadband service. Thus, it is likely that a report of the number of broadband lines in a

given Zip Code will be inaccurate, and any manual attempt to correct this inaccuracy would be unreasonably burdensome.

In addition, categorization by Zip Code will create a highly disaggregated report, which the Commission will likely aggregate to produce more meaningful information. Sprint believes that the current information showing by Zip Code where at least one broadband service has been purchased is adequate evidence of where such service is deployed. Sprint respectfully suggests that the Commission can obtain additional information concerning the location of high-speed connections and technology more efficiently through customer surveys and published studies.

The Commission proposes to eliminate or lower the reporting thresholds for both broadband data and local telephone competition data. *Id.*, ¶¶ 10-11. Sprint does not object to these proposals.

Sprint is strongly opposed, however, to the Commission's proposal to release competitively sensitive information after one or two years. *Id.*, ¶ 12. Sprint believes that the information it has provided remains competitively sensitive even after two years because such information continues to reflect the filer's market entry strategy and deployment plans and may provide competitors insights into the filer's future competitive direction. Indeed, the more granular the data, the greater the risk to carriers associated with disclosure. Thus, absent a compelling reason for disclosure, carriers' information must be treated as proprietary and confidential and should not be published in the Commission's reports. However, Sprint is not opposed to the Commission continuing

to share information with state commissions (*Id.*, ¶13) as long as the Commission continues to maintain strict confidentiality arrangements with the states that request the Form 477 data.

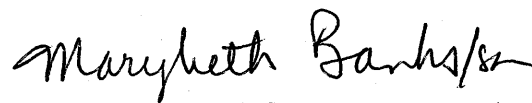
In its list of proposed changes to the Form 477 (*Id.*, ¶30), the Commission states that it will “require filers reporting high-speed DSL connections also to report their best estimate of the *percentage* of mass-market end-user premises in the filer’s service area, in that state, to which high-speed DLS service is available *over the filer’s own facilities*.” While an estimate of the percentage can be made, this should be treated as highly confidential information which could be extremely harmful to the filer if revealed to its competitors.

As discussed above, Sprint supports the Commission’s efforts to “conduct or commission a consumer survey to develop a better understanding of consumer adoption and usage of broadband services.” *Id.*, ¶15, *fn* omitted. As the Commission discusses (*Id.*, *fn.* 30), other governmental organizations have used surveys to understand consumers’ use of telecommunications and information services. Consumer surveys would provide insights which go beyond those which may be gained solely from deployment data. By integrating the broadband and local competition data provided by carriers with mass market consumer information, the Commission will be able to establish policy regarding these services without overburdening the carriers that provide them.

Accordingly, Sprint respectfully requests that the Commission not introduce new data requirements on the Form 477 because they would be extremely burdensome. In addition, the Commission should maintain strict confidentiality with respect to the data, as it is very competitively sensitive.

Respectfully submitted,

SPRINT CORPORATION

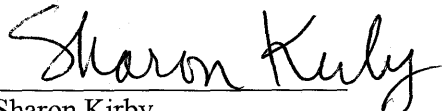
A handwritten signature in dark ink, appearing to read "Marybeth Banks/sr". The signature is written in a cursive, flowing style.

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June 28, 2004

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Sprint Corporation in WC Docket No. 04-141 and CC Docket No. 99-301 was delivered by electronic mail on this 28th day of June 2004 to the parties listed below.


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